

PRESS RELEASE

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Madison, Wisconsin -- Erik C. Peterson, United States Attorney for the Western District of Wisconsin, announced that the United States has reached a settlement with Lincoln County involving allegations of fraudulent billing by Lincoln County related to a federally-funded child support program called IV-D.

Between approximately 1997 and 2006, Lincoln County submitted claims for reimbursement to the United States (through the State of Wisconsin and the State's fiscal agent with respect to IV-D) for costs allegedly incurred under the IV-D program but which, in fact, were not actually incurred for IV-D. In order to resolve this matter Lincoln County has agreed to pay a total of \$80,000 to the United States.

The Settlement Agreement includes a provision stating that the agreement does not constitute an admission of liability by Lincoln County. At the same time, the United States does not concede that its claims are not well founded, according to the settlement agreement.

The Child Support Program

Title IV-D of the Social Security Act establishes the Child Support Enforcement Program within the U.S. Department of Health and Human Services (DHHS). Through

the child support enforcement program, DHHS disburses monies to the states, including Wisconsin, for the purpose of enforcing child support laws.

The federal government provides three types of funding for the IV-D program: administrative reimbursement, child support incentives, and medical support incentives. Federal administrative reimbursement is the principal source of funds for running the IV-D program. The reimbursement rate is generally 66 percent of costs. Each of the fifty states is required to operate a child support program under Title IV-D. States may either operate the program directly, delegate the responsibility to local governmental agencies or, in some instances, contract with private organizations for service delivery.

In Wisconsin, the Bureau of Child Support, located in the Division of Workforce Solutions, Department of Workforce Development (DWD), is assigned primary responsibility for overseeing IV-D program operations. In accordance with federal law, the State of Wisconsin, through the DWD, has adopted a state plan which sets forth the policies, requirements, and standards which apply to IV-D programs administered within the state of Wisconsin. Each state agency, and all local agencies involved in providing IV-D services, must comply with the state IV-D plan.

Lincoln County's IV-D Program

Each year between 2001 and 2007, the Lincoln County Board of Supervisors, on behalf of Lincoln County, and the DWD, on behalf of the State of Wisconsin, entered into a contract, covering the administration of child and spousal support and establishment of paternity and medical support liability programs (IV-D programs).

Each year between 2001 and 2007, the Lincoln County Board of Supervisors, on behalf of its Child Support Agency, and the Lincoln County Corporation Counsel entered into a "Cooperative Agreement" in order to carry out the functions of the IV-D program under state and federal law. Under the terms of the various contracts entered into between the Lincoln County Board of Supervisors, on behalf of Lincoln County, and the DWD, on behalf of the State of Wisconsin, Lincoln County was legally only allowed to claim reimbursement for costs associated with the administration of its IV-D program.

Lincoln County's Fraudulent Conduct

The United States alleged that between 2002 and 2006, Lincoln County employed a full-time Assistant Corporation Counsel whose primary job duties were described as prosecuting child support/paternity cases, providing legal advice to the county child support agency, handling commitment/protective placements and other county matters as required. During the period between 2002 and 2006, Lincoln County sought reimbursement from the United States under the IV-D program for 100% of the wages and fringe benefits for the Assistant Corporation Counsel, and others within the department, even though they did not spend 100% of their time on IV-D matters. This billing resulted in the United States paying for services which it never received.

The case against Lincoln County was based on an investigation by the U.S. Department of Health and Human Services - Office of Inspector General. Assistant U.S. Attorneys Stephen Ehlke and Daniel Graber handled the civil investigation of this matter.

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